

15 APR 1946

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~~CONFIDENTIAL~~
GENERAL

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1. Qavam's proposed instructions to Ala--The Iranian Premier on 13 April told Embassy Tehran that he would instruct Ambassador Ala not to request the Security Council to withdraw Iran's case from the agenda. Qavam said he would order Ala to say, if asked by the Council for a statement, that "Iran leaves the question entirely in the Council's hands for whatever decision it may choose to take."
2. Change in Soviet tactics regarding Yugoslav-Italian boundary--Dunn reports that the Soviet delegate on the Yugoslav-Italian Boundary Commission has urged that the Commission (a) postpone a report of its findings in Venezia Giulia and (b) immediately draft its recommendations for the boundary delineation. Dunn believes that this shift in Soviet tactics is due to the fact that the Commission's findings, on the whole, strengthen the US position. (The US proposal for Istria would leave to Italy (a) the important north-south highway, (b) all the ports, (c) the Arsa coal fields, (d) a small portion of the bauxite deposits and (e) the richest farming areas.) Dunn adds, however, that the Soviets probably will not, prior to the 25 April Secretaries' Conference, modify their demands that Gorizia, Trieste and all Istria go to Yugoslavia.

EUROPE-AFRICA

3. SWITZERLAND: Further Soviet negotiations for Oerlikon arms--US Legation Bern has transmitted further information relating to alleged Soviet negotiations for the purchase of Oerlikon guns [redacted]

3.3(h)(2)

[redacted] a Rumanian is now negotiating for the USSR; and that on 6 April a French Government official, stressing urgency and secrecy, offered to pay cash for 2,000-3,000 anti-aircraft guns. [redacted]

3.3(h)(2)

4. SPAIN: German war research doubted--Embassy Madrid reports that it has no evidence to support the allegation that the Franco regime "allows and promotes scientific research by German scientists engaged in devising new means of warfare." Neither the US nor British Embassies know of the presence in Spain of any Germans "capable of high grade scientific research."

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5. SPAIN: Alleges Soviet wheat ship carried arms--Embassy Madrid has received a note from the Spanish Foreign Office alleging that the Soviet wheat ship which arrived at Marseille on 7 April carried "munitions and war material" as well as wheat. The note details the alleged circumstances of the loading and unloading and suggests that the arms were delivered to the exiled Spanish Republicans in south France.
6. ITALY: US Embassy questions advisability of Milan for AFHQ-- Embassy Rome is disturbed at the recommendation of the Allied and US Commanders Mediterranean Theater that Allied HQ be moved to Milan (see Daily Summary of 5 April, item 7) instead of to northeast Italy as originally agreed. The Embassy comments that (a) the choice of Milan, an important commercial and political center in the heart of Italy, "would appear to lay emphasis on continued occupation of Italy" rather than on the Anglo-American military commitment in northeast Italy, and (b) such an impression would be exploited as anti-Anglo-American propaganda by the strong Communist element in Milan.
7. RUMANIA: No effective participation of "historical parties" in Government--Romniceanu, Liberal Minister in the Groza Government, has informed General Schuyler, US delegate ACC, that both he and Hatseanu, National Peasant Minister, are denied effective participation in the transaction of government business. Romniceanu believes that the Communist-controlled Popular Front (FND) has no intention of collaborating with members of the opposition as intended under the terms of the Moscow Agreement. He cites as examples of FND tactics (a) infrequent cabinet meetings, (b) failure to furnish opposition members with texts of laws prior to their enactment and (c) inability of opposition members to obtain factual information from Government bureaus.
8. USSR: Smith urges continuation of magazine "America"--Ambassador Smith reports that he is disturbed by the recommendation of the House Appropriations Committee for suspension of the magazine, "America", on the grounds of its restricted circulation in the USSR. Smith comments that the great amount of good will created by the magazine and the difficulty of obtaining Soviet approval for any other magazine, once "America" has been discontinued, make its suspension highly undesirable.

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FAR EAST

9. CHINA: Delay of loan announcement urged--State, Treasury and China Theater representatives in Chungking believe that announcement of the extension of 500 million dollars in credits to China by the Export-Import Bank (see Daily Summary of 11 April, item 9), prior to the return of General Marshall to Chungking, would seriously weaken his hand in halting the deterioration of the Chinese internal political and military situation.
10. CHINA: Chiang orders eradication of Communists near Hankow-- Embassy Chungking has learned that Generalissimo Chiang has issued secret orders to local military authorities to eradicate completely but quietly, by whatever means necessary, the pocket of Communists immediately north of Hankow.
11. AUSTRALIA: Reasons for seeking special privileges in Siam--Legation Canberra reports that the Australian Government insisted on the clause concerning international commodity agreements in the Siamese-Australian treaty (see Daily Summary of 13 April, item 7) because of (1) reports that the US was negotiating a secret bilateral agreement with Siam to corner the latter's production of tin, rubber and oil; and (2) Foreign Minister Evatt's suspicion that Australia must protect herself "against being frozen out" by the big nations, in case she failed to join the Bretton Woods agreement.

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